



November 3, 2020

Submitted Electronically

Chief Counsel's Office,
Attention: Comment Processing,
Office of the Comptroller of the Currency, 400
7th Street SW, Suite 3E-218,
Washington, DC 20219
Docket ID OCC-2020-0008

Ann E. Misback, Secretary,
Board of Governors of the Federal Reserve System,
20th Street and Constitution Avenue NW,
Washington, DC 20551
Docket No. OP-1720

Robert E. Feldman, Executive Secretary,
Attention: Comments/Legal ESS,
Federal Deposit Insurance Corporation,
550 17th Street NW,
Washington, DC 20429
RIN 3064-ZA16

David P. Grahn, Director,
Office of Regulatory Policy,
Farm Credit Administration
1501 Farm Credit Drive,
McLean, VA 22102-5090
RIN 3052-AD42

Gerard S. Poliquin, Secretary of the Board,
National Credit Union Administration,
1775 Duke Street,
Alexandria, Virginia 22314-3428
RIN 3133-AF14

**Re: Loans in Areas Having Special Flood Hazards; Interagency Questions and Answers
Regarding Flood Insurance**

Dear Ladies and Gentlemen,

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 220 state and nationally chartered banks, savings and loan associations, and savings banks. WBA appreciates the opportunity to comment on the efforts of the Office of the Comptroller of the Currency, Treasury, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Farm Credit Administration, and National Credit Union

Administration (agencies) proposed rule regarding Loans in Areas Having Special Flood Hazards (proposal).

WBA fields numerous calls from Wisconsin banks eager to comply with flood rules, who indicate challenges they face from unclear rules and guidance. As such, WBA welcomes the agencies' proposal to reorganize, revise, and expand the Interagency Questions and Answers Regarding Flood Insurance (Q&A). WBA supports the agencies' efforts to help lenders meet their responsibilities under Federal flood insurance law. The proposal would reorganize the Q&A into new categories, and ordered designations. This change will improve accessibility of the Q&A and enable the agencies to revise the Q&A in the future without creating further confusion. WBA offers the following comments based on feedback to the proposal on private flood insurance and the detached structure exemption.

In February 2019, the agencies finalized regulations to implement private flood insurance related provisions of the Biggert-Waters Act. In the proposal, the agencies indicate a plan to separately issue another set of proposed Q&As relating to the private flood insurance rule. WBA encourages the agencies to issue a proposal for private flood insurance guidance as soon as possible. While the proposal's revisions and additions are a welcome update to both format in terms of accessibility, clarity, and enhanced guidance, the majority of questions WBA has received in regard to flood-related compliance involves the newly issued private flood insurance rules. To that extent, a new set of Q&As relating to the private flood insurance rule would be of great benefit to Wisconsin banks.

WBA also recommends that the agencies consider review and revision of the Q&A on a regular basis. Such review would serve to maintain the Q&A in a more organized state as proposed, and offer the industry opportunities to provide feedback and questions, as well as offer the agencies opportunities to revise and clarify as appropriate.

In addition to private flood insurance considerations, Wisconsin banks have sought clarity on the detached structure exemption. That is, the exemption for any structure that is part of any residential property but is detached from the primary residential structure. A structure is part of a residential property if it is used primarily for personal, family, or household purposes, and not used primarily for agricultural, commercial, industrial, or other business purposes. That determination is based upon the good faith determination of the lender, which Wisconsin banks have reported to be a difficult determination to make. For example, WBA has heard of numerous situations where the purpose of structures, such as a shed, cannot be determined. Often the shed may be abandoned, or had an original purpose, for which it fell out of use, and is no longer clear to the borrower, let alone the lender. In order to better assist lenders in making that determination, WBA requests further clarification and examples as to what constitutes a detached structure.

WBA appreciates and supports the agencies efforts to reorganize and clarify the flood Q&A. We believe the proposal will assist lenders by better streamlining flood compliance, and look forward to future proposals, particularly involving private flood insurance.

We appreciate your consideration of these comments.



Rose Oswald Poels
President/CEO